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## Manufacturing Industries

## NEW BOOKS

- BROWN, N. C. *Forest products: their manufacture and use.* (New York: Wiley. 1919. Pp. xix, 471. \$3.75.)
- CALVERT, A. F. *Salt and salt industry.* Pitman's common commodities of commerce. (New York: Pitman. 1919. Pp. 151. \$1.)
- RAWLEY, T. C. *The silk industry and trade.* (London: King. 1919. Pp. 188. 10s. 6d.)
- Directory of the chemical industries in Canada as to date January 1, 1919.* (Ottawa: Dominion Bureau of Statistics. 1919. Pp. 68.)
- The Schneider works in France.* (Paris and New York: Schneider & Cie. 1919. Pp. 64.)
- Statement of the effect of war conditions on the farm operating equipment industry, presented to D. F. Houston, by the Farm Implements Committee representing the industry.* (Chicago: National Implement and Vehicle Association, 76 Monroe St. 1918. Pp. 11.)

## Transportation and Communication

## NEW BOOKS

- ABBOT, W. J. *The story of our merchant marine; its period of glory, its prolonged decadence, and its vigorous revival as the result of the world war.* (New York: Dodd, Mead. 1919. Pp. 373. \$2.50.)
- BARNES, H. C. *Traffic law service on the federal regulation of interstate commerce and common carriers, including jurisdiction of the Interstate Commerce Commission.* (Chicago: Traffic Law Service Corporation. 1919.)
- BENEDICT, B. *The express companies of the United States. A study of a public utility.* (New York: Intercollegiate Socialist Society. 1919.)

Fundamentally and primarily the monograph is a protest against the laissez faire policy—the absolute and uncontrolled freedom of private enterprise—and is a plea for the governmental ownership of the express service, on the grounds of economy and political expediency—economy, because of the savings arising from extension of the express facilities, and from consolidation of equipment, agencies, personnel, and offices, with their accompanying rate reductions; expediency, because to quote the author, “a government express service can help in no small degree, both in itself and as a sharer in the entire general urge towards a democratically-socialized state, to preserve and even to invigorate” not only the national, but also the individual morale.

The Intercollegiate Socialist Society plans a series of monographs on the various phases of public ownership and democratic management.

J. H. P.

- CLARK, E. E. *Clark on interstate commerce; testimony given before the Senate Committee on Interstate Commerce.* (Washington: John Byrne & Co., 715 14th St., N. W. 1919. \$3.)
- CLOAREC, P. *La renaissance de notre marine marchande.* (Paris: Plon-Nourrit. 1919. Pp. 236. 3.50 fr.)
- COLLINS, J. H. *Motor transportation for rural districts.* United States Department of Agriculture bulletin 770. (Washington: Supt. Docs. 1919. Pp. 32.)
- COLLINS, N. *Opportunities in merchant ships.* Opportunity books. (New York: Harper. 1919. Pp. 96. 75c.)
- CUMMINS, A. B. *The railroad problem.* (Washington: Supt. Docs. 1919. Pp. 12.)
- FINN, L. B. *Why private ownership of railroads cannot meet the demands of the public in matters of transportation.* (Frankfort, Ky.: Railroad Commission. 1919. Pp. 64.)
- JOHNSON, E. R. *Ocean rates and terminal charges.* (Washington: U. S. Shipping Board. 1919. Pp. 84.)

In order to secure data upon which to base dealings in freight and cargo space, the United States Shipping Board requested the Director of Planning and Statistics to investigate the subject of ocean rates. The report as made by Professor Johnson takes up, first, requisition rates and the statistical study of ocean charter and freight rates upon selected commodities upon the different trade routes. The remainder of the text is devoted mainly to the powers and duties of the Shipping Board with respect to ocean rates and terminal charges. Much of the material collected is given in the appendices.

Professor Johnson, at the conclusion of his study, recommends a continuance of rate control until the shortage of shipping tonnage has been overcome, advising also the supervision of terminals and the regulation of terminal services and charges. H. R. T.

- LOVETT, R. S. *Comments on the railroad problem.* (New York: Union Pacific System. 1919. Pp. 76.)
- MORAWETZ, V. *The railway problem. A plan for its solution.* (New York: The author, 44 Wall St. 1919.)

Mr. Morawetz proposes the consolidation of existing railway companies into ten to fifteen systems, each owning and operating a strong and well balanced railway network; the restoration of railway credit through definite governmental assurance of certain minimum returns upon railway property; finally, future regulation of the railways in such manner as to protect the interests of both the public and the security holders.

The basis of the proposed consolidation is the apportionment to each constituent company of an amount of stock, or of stock and bonds, of the consolidated company proportionate to the estimated operating income which the company would contribute to the consolidation.

A Federal Railway Board similar in its constitution to the Federal Reserve Board would be created by act of Congress, with necessary powers to carry the plan into effect. This Board, with the officials of the various railways, would determine the grouping of the railways into consolidated companies, work out plans for the transfer of stock and bonds, and have general charge of details of the actual consolidation.

A feature of the plan is that the capitalization of each consolidated company would not be fixed by a physical valuation of its properties, but rather would be determined by the annual dividend and interest charges. That is, there would be authorized an amount of bonds upon which the aggregate annual interest charge would be some specified per cent (60 per cent is suggested) of the fair return upon the properties of the company, and an amount of stock upon which the remainder of such fair return would suffice to pay annual dividends at a prescribed rate.

The average operating income of the three test years established by the Federal Control act, subject to adjustment in the light of all conditions affecting the operations of the companies, would be deemed a fair return on the properties of the respective railway companies, at least until the official valuation of the railways and the proper rates of return thereon had been settled.

The Interstate Commerce Commission would fix freight and passenger rates in such manner as to enable railways to earn the fair return, and in case of the failure of any company to earn the interest on its bonds, the government would advance the amount of the deficiency, the advance to be repaid out of future earnings after payment of cumulative dividends. The government would share with the stockholders in any distribution of surplus income after payment of all its advances and such dividends.

The Federal Railway Board would exercise broad supervisory powers over the consolidated railway companies and over the whole system of regulation, even to the extent of appointing one third of the board of directors of each company.

Readers may obtain copies of this pamphlet upon application to Mr. Victor Morawetz, 44 Wall Street, New York City.

PHILIP G. OTTERBACK.

PAINE, R. D. *The old merchant marine: a chronicle of American ships and sailors.* Chronicles of America series, vol. XXXVI. (New Haven: Yale Univ. Press. 1919. Pp. x, 214.)

PIERSON, L. E. *What is wrong with the electric railways?* (New York: Irving National Bank. 1919. Pp. 20.)

RUGGLES, C. O. *Terminal charges at United States ports.* (Washington: U. S. Shipping Board. 1919. Pp. 181.)

Terminal charges are here classified into two groups—charges against the vessel and charges against the cargo. Each group of charges is taken up with its subdivisions; comparisons are made be-

tween charges at different ports and at different times. Part I, constituting a general report, is an analysis of charges at different ports, the advance in port charges during the war, and the consequences of present policies concerning port charges and services. As a conclusion, Dr. Ruggles recommends the government supervision or control of port facilities in order to avoid the evils which have arisen under private ownership and monopolization. Specifically, he recommends a Bureau of Port Terminal Charges and Services to be established by the United States Shipping Board to make a comprehensive study and tabulation of data, so that the Shipping Board and Interstate Commerce Commission may take intelligent action at any time in cooperation with local port authorities for the solution of port terminal problems. Part II contains much of the material upon which the general report is based, giving description of terminal facilities and port charges in the principal ports as well as some of the less important ports. The report presents a welcome and able study of a subject which has important bearing upon the development of our foreign trade.

H. R. T.

WANG, C. C. *Legislative regulation of railway finance in England*. University of Illinois studies in the social sciences, vol. VII, nos. 1 and 2. (Urbana: Univ. Illinois. 1918. Pp. 196. \$1.50.)

The author of this work, who was for some time honorary fellow in economics at the University of Illinois, and is now director of the Kin-Han Railway, China, approaches his subject from the historical standpoint and has done a meritorious piece of work in showing the line of advance in regulating the various phases of railway finance. The mention of the consecutive chapter headings will sufficiently indicate the contents and the breadth of view taken in the consideration of this field: General Legislation on Railway Finance; Legislative Supervision of Capitalization, A. Share Capital, B. Loan Capital; Control of the Borrowing Powers of Railway Companies; Registration of Railway Securities; Regulation of Railway Stock Watering; Regulation of Railway Accounts; State Auditing and Inspection.

The purpose of the study is "to find out what rules the English Parliament has adopted from time to time for the regulation of railway finance, and to ascertain, as far as possible, why these rules were adopted, how they have been applied, and to what results they have led." We see here the background of many of the pressing problems of the present day, and the reasons why certain kinds of securities have emerged from the tentative and experimental stages with more favor than others. Full consideration is given to the methods employed by the Parliament to throw around railway securities the greatest measure of safety, so that the railway authorities might not be induced to issue securities of doubtful value, so that the owners of the railways might be protected against unscrupulous manipulators either in the directorate or officers, and that the

public whose funds were and are the means by which the railways secure the necessary capital for construction and operation might be safeguarded in their legitimate investments. This is a good study in "safety first" as applied to the financial obligations of railways and the threefold relation of company, stockholder, and creditor. The constant desire to make railway investments safe for the investors and to interfere as little as possible with the railway managements seems to have caused Parliament to adopt its unique system of regulation of railway finance which appears to differ from that of every other country. The changes in legislation are fully detailed, with careful reasons why the successive alterations and adjustments to developing conditions were necessary; in fact, we seem to be following with the author the gradual growth of the best public sentiment from earlier to later days along the several lines he discusses.

The reviewer has covered this field very carefully in the original documents and contemporary literature and he can find only two or three misstatements of fact, which are relatively insignificant when placed alongside the merits of this work. The defects arise not from the substance but from the forms of expression. There is considerable reiteration of statement and unfortunate sentence construction, but these we gladly dismiss with the mere mention of them; they are incidental to the author's nationality, and are largely lost from sight in the interesting and faithful presentation of the results of an important piece of research. A short bibliography and a good index complete the work.

W. T. JACKMAN.

*British aircraft industry; its industrial and commercial potentialities.* (New York: Doran. 1919. Pp. 305. \$2.)

*The earning power of railroads, 1918-1919.* (New York: Oliphant & Co. 1919. Pp. 422.)

*Fiftieth annual list of merchant vessels of the United States; for the year ending June 30, 1918.* Bureau of Navigation. (Washington: Supt. Docs. 1919. \$1.25.)

*Government versus private railroads.* Journal of the National Institute of Social Sciences. (Boston: F. W. Faxon Co. 1919. Pp. 247. \$2.)

*Program of railroad legislation.* (Washington: National Transportation Conference, Richard Waterman, Sec'y, Mills Bldg. 1919. Pp. 96.)

*Railway stockholders December 31, 1917.* (Washington: Bureau of Railway Economics. 1919. Pp. 13.)

*The verdict of public opinion on the railroad question.* (New York: Assoc. Railway Executives, 61 Broadway. 1919. Pp. 32.)